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The Stakes in CAFTA

THE HOUSE is getting ready to vote on the Central American Free Trade Agreement (CAFTA), a deal that would bind the five nations of Central America plus the Dominican Republic to the U.S. economy. From a commercial standpoint, it's curious that most Democrats in the House resist the agreement: 80 percent of Central American exports already enter the United States without tariffs, so the main effect of the deal will be to open the region to U.S. products. But the political argument for CAFTA is at least as compelling. While the United States has been focusing on terrorism, a new challenge has been brewing in its own hemisphere. House members should consider this challenge before voting to slam the door on Central America's pro-American leaders.

For much of the post-Cold War period, U.S. anxieties in Latin America seemed to be fading. The disintegration of the Soviet Union left Cuba's Fidel Castro without subsidies, undermining his power to buy influence in the region. The peace process in Central America succeeded, ending leftist insurgencies in El Salvador and Guatemala and leading to elections in Nicaragua that removed its Marxist leadership. Democracy already had displaced often populist dictatorships across South America; in Mexico, a pro-American, pro-market presidential candidate succeeded against the long-ruling and traditionally leftist Institutional Revolutionary Party. The remaining U.S. problem in Latin America was the drug war. Although the cartels were rich and ruthless, they were not trying to rally Latin Americans behind an anti-Yanqui banner.

In the past few years, however, an attempt has been made to revive the political challenge once represented by Mr. Castro. It centers on Venezuela's Hugo Chavez, who combines Castroite rhetoric with the financial clout of Venezuelan oil. Mr. Chavez has spread his money around the region, sponsoring anti-American and anti-democratic movements and promoting alternatives to U.S. initiatives. To counter the U.S. trade agenda, for example, he has put forward a "Bolivarian Alternative." This has given critics of the United States something to advocate. El Nuevo Diario, a Nicaraguan newspaper that is critical of CAFTA, praised the Bolivarian Alternative recently, asserting that "America is for the Americans, not for the North Americans." In Costa Rica, critics of CAFTA who draw inspiration from Mr. Chavez have made no secret of the fact that they oppose the deal because they oppose the United States.

Most House Democrats don't want to hear this; they claim that CAFTA is opposed by "pro-poor" groups in the region. But this claim is troubling on two levels. First, CAFTA would actually help the poor: It would create 300,000 new jobs in shoes, textiles and apparel; it would create a new mechanism for enforcing labor rights; and a World Bank study has found that the vast majority of poor families in the region would gain from the deal. But second, the defeat of CAFTA would help not anti-poverty movements but anti-American demagogues, starting with Mr. Chavez. For them, the retreat of the United States from partnership with Central America would be a major victory.